



# U.S. Commercial Service GUATEMALA

## Briefing for NAFTA to CAFTA Initiative

US Embassy, Guatemala

March 8, 2006



# Guatemala in the map...





# General Information

- Largest Economy in Central America
- Economy Nearly Completely Privatized
- GDP \$ 26.9 Billion in 2004
- Tax collections about 10% of GDP
- Tariffs are Relatively Low (1-17%) for Almost All Products; VAT is 12%

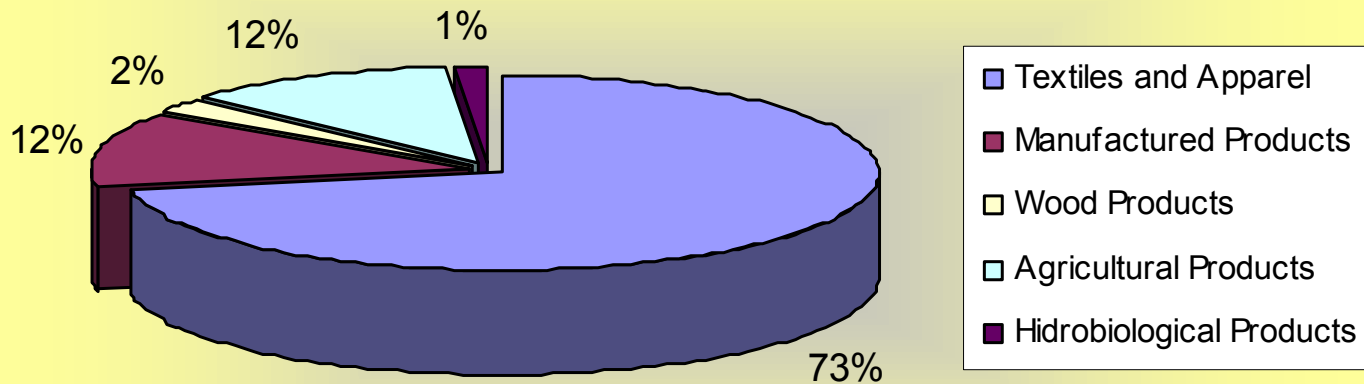
# Economy

- Reasonably stable over the last several years.
- Traditional agricultural exports continue to be part of the main source of income to Guatemala.
- Remittances are an important source of foreign income (10% GDP).
- Most economic growth comes from non-traditional exports.
- Non-traditional sectors have provided tens of thousands of jobs and increased income.
- Tourism is developing significantly as well.



# Manufactured Exports

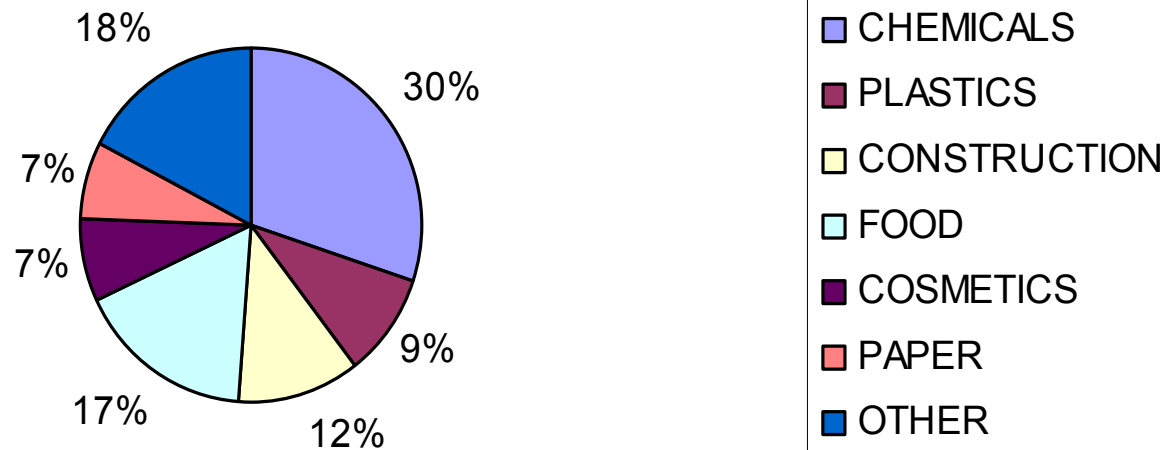
(Total Export Market: \$ 3,039.8 Million)





# Manufacturing Industry Sub Sectors (Textiles not included)

## PERCENTAGE





# Opportunities in Sub Sectors:

- Textiles
- Cleaning agents
- Food and Beverages
- Cosmetics
- Leather goods
- Pharmaceuticals
- Rubber and Latex
- Construction Goods
- Metal





# Opportunities...

- Paper and cardboard
- Paints, coats and dyes
- Plastic products
- Chemical products
- Candles, etc...





# DR CAFTA will spur the following Manufacturing Sectors:

- Computer Parts and Accessories
- Telephone Machines and Accessories
- Medicines
- Printer, scanners, keyboards
- Semiconductors





# Existing Industry Opportunities...

In order to compete with new markets such as DR- CAFTA Countries, there will be a need for upgrading manufacturing facilities.

- New/used and refurbished machinery
- Consulting services
- Financing solutions





# Muchas Gracias!



## How to contact us:

[Ana.polanco@mail.doc.gov](mailto:Ana.polanco@mail.doc.gov)